

Secretary of the Navy

**Radio Interview with Acting Secretary Thomas B. Modly by Hugh
Hewitt**

**Speaker:
Thomas B. Modly,
Acting Secretary of the Navy**

**Interviewer:
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HUGH HEWITT: (In progress) – Acting Secretary of the Navy Thomas Modly. Mr. Secretary, welcome back. Always a pleasure to talk to you.

ACTING SECRETARY THOMAS B. MODLY: Good morning, Hugh. How are you?

MR. HEWITT: I am great. Now, I got a little primer from Admiral Stavridis, who – your ears must have been burning.

SEC. MODLY: Uh-oh. (Laughs.)

MR. HEWITT: He said all these great things about you last hour. And I'm going to get to his question list, but only after I ask my first. I've been very concerned about the coronavirus, covering it extensively. In 1918 the Navy did more to spread the killer Spanish flu, which was actually from Kansas, than any other organization in the world. They were floating coffins as they shipped troops to Europe. What is the Navy doing to prevent this virus from moving through its ranks this century?

SEC. MODLY: Well, it's interesting you mention that. I was actually looking through John Barry's book on "The Great Influenza" of 1918 this weekend and getting an understanding of how difficult and how challenging these situations are.

We are helping. We are assisting with all the federal authorities that are involved in the – basically, the housing of people that are coming back from China to the United States. We are – we've got about 300 of them out at Miramar in housing units there, and they're under quarantine now for 14 days, and we're ensuring that they're getting tested to make sure that the virus is not there and not spreading. We did have one person that tested positive. That person's now in the hospital. But so far, no one else in that group has been found to be positive.

And the interesting thing with these viruses is they tend to lay dormant for a while and you have to really monitor them over an extended period of time to ensure that they don't mutate and come in – as I'm sure you've read about that 1918, that sort of came in two waves. You had this initial wave and then you had a much more virulent wave that came later.

So we're doing – I mean, we certainly have the systems in place, you know, obviously, much more now than we did, you know, over a hundred years ago to manage this. And I think the key with all of this is getting good information out to the public, but also, you know, with a virus – the source of the virus, you know, if we don't have good transparency into that, it makes it difficult to manage it.

MR. HEWITT: Yeah.

SEC. MODLY: And I think that's one of our concerns right now, is that we don't feel like we're getting good, solid information out of China. But hopefully that will improve.

MR. HEWITT: You know, Secretary Modly, not to belabor it, in 1918 the Navy thought they were doing a good thing by quarantining troops on the troop transports, but in fact they ate

in the same mess hall. Viruses hang around on tables, utensils, doorknobs, and you can't quarantine. Do you see a vector coming out – the vectors that the secretary sends out are very good reading; I recommend them to everyone – on what happens if a virus shows up on a ship? Because they've got to immediately lock it down.

SEC. MODLY: You know, that's a – we're monitoring this to see whether or not that's – you know, it's going to be necessary for me to communicate on it. I mean, across the whole Navy we're doing a pretty good job, I think, of communicating to the folks about, you know, what we need to do in this – in this situation.

But I would also say, Hugh, that, I mean, it is a hundred years later. We understand these viruses much more than we did back then, and I think we have the – you know, much greater mass communication ability to get messages out to people. And so I think that as long as we maintain our attention and focus on this, we're going to be fine.

MR. HEWITT: All right. Now let's turn to the – to the Defense Department budget which was released this week. I'm not a fan, but I understand it's not your budget, it's not Secretary Esper's budget; it's a budget from people who came before you. I know OMB tweaked it a little bit, but I still don't see a path to 355 – that's the number of ships that President Trump campaigned on. And President Trump said repeatedly we would get there. I don't even see a plan yet. And Admiral Stavridis said, I wonder what the mix of manned/unmanned's going to be in getting to 355. So why are we not even with a plan yet, Secretary Modly?

SEC. MODLY: Well, we do – we are developing a plan right now. And I think the last time I was on your show I mentioned that the '21 budget was pretty close to being baked, and we were going through our Integrated Naval Force Structure Assessment at the time, and that that – the output of that particular force structure assessment was going to inform the '22 and beyond budget. And I've put the marker out there for the department that we want to get to 355 within 10 years, and so we are developing a plan to do that.

Now, we are facing several significant pieces of pressure on that. One is we're still in a fairly large sustainment hole that was created in the past we're trying to dig our way out of, and we're putting a lot more money because it's nice to have the ships but they have to work, too. So we're putting money into that piece of it.

And we also have topline pressure because of the 40-year recapitalization of our nuclear deterrent force, which is a bill that only comes due every 40 years. And unfortunately, we have not been given additional topline to manage that recapitalization. So all the money that has to go to build the Columbia-class submarine – which we're funding now for the first one in this budget – it comes straight out of our shipbuilding line. And as that program progresses, it's going to eat up more, and more, and more of our shipbuilding line. So I think this year it's about 25 percent, and it's going to escalate up to 31 percent based on the plans we have.

So we – you know, my job is to basically lay these facts out for the secretary of defense and for the president, and they're going to have to make a call here. We are also going to do what we can within the Department of the Navy to look at old programs that we can shed that

don't have relevance to where we see the future force structure headed. And we're going to do that. We're starting a stem-to-stern review to look at everything, to get rid of things that we don't think are relevant for the future.

And as you may know, these budget processes here are very, very arcane, and they take a long time. And sometimes by the time they get up to my level there are decisions made at lower levels to sustain programs that I don't even have visibility into. So we're not going to do that this time. We're going to – we're going to look at everything to determine how we can free up capital to fund this plan to get there in 10 years. But I would say that regardless of what we're able to find, we're going to have to address the top-line challenges that we have.

MR. HEWITT: This will be a question for Senator Sasse later, Senator Inhofe, the chairman of the Senate defense, when he comes on Mike Gallagher. Or if they plus-up the DOD budget and they say to the Navy, here's your – here's your money for your top-line nuke resupply, build some ships, what will you build? Will you build the new frigate? Will you advance the selection process of that? What – and back to the Stavridis question, how many manned and how many unmanned?

SEC. MODLY: So here's the way I've looked at this all along. I've always considered this a 355+ plan, where the plus would be unmanned vessels that we are still experimenting with. The plan that we've developed has unmanned in them but is still the traditional definition of a battle force ship is what makes up the 355 in my calculation. As we look at our – what we've determined in this first INFSA, our Integrated Naval Force Structure Assessment, the number is closer to 400, to be honest with you. And that's with the addition of some new amphibious ships that are smaller and lighter and more agile to support the commandant's expeditionary amphibious-based operations, and some new supply ships that are currently in the mix.

So the levers we have are to start building those, start building those faster, accelerate the FFG(X). We're going to be awarding the FFG(X) this year. And I would like to start looking at how we accelerate the procurement of that. Right now we have one this year, one next year, and then two the year after that continuing on. And so obviously we want to look at, you know, can we get to three a year? Can we get to four a year? And all those things are going to work into the mix that we have. But as I said, in any case there – it's going to be bumping up against some serious top-line pressure. And that's my job, to try and sell that to both the president and the secretary of defense, and the Congress.

MR. HEWITT: If you get to three or four FFG(X)s, that will be a big win in my view. Two quick exits, Mr. Secretary. The number of anti-ship missiles went, according to David Larter, from 88 to 2016 to 850 in this year's budget. That's a big deal. I think that's great. And then Admiral Stavridis says, where is the cyber force? So is 850 the floor? What's the ceiling? And where's the cyber force appropriation?

SEC. MODLY: Well, there's – you mean – you're talking about the Navy cyber force or across the entire –

MR. HEWITT: Across the entire, but obviously you'll know the Navy better than anything.

SEC. MODLY: Yeah. I mean, I think – I think we're still heavily investing in cyber. I mean, it's also – we're also heavily investing in our entire information management domain here in the Department of the Navy, for sure. So but as far as the floor is concerned, I think the way that they – on the missiles, I don't think that's the floor at all. I think we're going to continue to look at how we not only increase the number of existing missies we have in the inventory, but really start investing heavily in the hypersonic space, both with air breathers as well as, you know, ballistic hypersonic weapons. We are out – sort of outgunned in that right now. We really need to accelerate that. And you'll see that in the budget as well.

MR. HEWITT: Acing Secretary Modly, keep coming back. I look forward to watching those hearings, and to seeing that – just real quickly, when will we see the plan for 2021, to get to 355+?

SEC. MODLY: I am working that right now. I'm supposed to be briefing that to the secretary of defense in the next week and it's sort of up to him after that.

MR. HEWITT: OK.

SEC. MODLY: OK.

MR. HEWITT: I hope it's sooner rather than later. Mr. Secretary, thanks for joining me.

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